

MEMORANDUM FOR:

SUBJECT : Retirement Planning Information

1. This memorandum is designed to provide you with important information pertaining to your benefits under the CIA Retirement and Disability System (CIARDS). The information is being provided at this early date so that you may use it in planning for your eventual retirement.

2. The key fact I want to emphasize here is that the CIARDS law imposes a maximum limitation on the amount of annuity a participant in CIARDS may receive. This limitation is 70 percent of the "high three" average salary, exclusive of credit for unused sick leave. Since the annuity is based on a rate of 2 percent per year of creditable service this means that service beyond 35 years will not add to the annuity. Since you will complete 35 years of Federal service on \_\_\_\_\_, we felt it would be useful to inform you now, two years before that date, so that you may crank all the following consideration into your retirement planning:

a. If you remain in CIARDS beyond 35 years of service your average "high three" salary would probably continue to increase, but your total service factor would increase only by the amount of your additional accumulated sick leave. You would still be required to pay 7 percent of your base salary each payday into the CIARDS Fund; there is no legal authority to stop this or to make a refund to persons beyond the 35 year point.

b. If you continue to work beyond 36 years and 10 months you could, from that point on (not before), realize a higher annuity under the Civil Service System. Because of this (and only in this situation) it is Agency policy to permit a participant in CIARDS to apply for removal from CIARDS for transfer to the Civil Service System. There is an important point to be remembered here, however: The Civil Service regulations require that to retire under that System, an employee must have been under that System for at least one of the two years

immediately preceding retirement. If, therefore, you should plan to remain in service and retire eventually under the Civil Service System, it would be essential that you submit to the Director of Personnel a request for transfer sufficiently in advance of your planned retirement date in order for your request to be acted upon and to permit you to compile at least one year under Civil Service before you retire.

3. As I stated earlier, we are furnishing this information two years before you even get to the point of maximum annuity benefit under CIARDS so that it may be used in your retirement planning. If you have any questions, or if we may be of further assistance, please feel free to contact the Chief of the [redacted] Magazine Building, extension [redacted]

TATOTHR

[redacted]  
Chief  
Retirement Affairs Division

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